



DEPARTMENT OF THE TREASURY

Proposed Collection; Comment Request

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork burdens, invites the general public and other Federal agencies to comment on revisions in 2018 of a currently approved information collection that is proposed for approval by the Office of Management and Budget. The Office of International Affairs within the Department of the Treasury is soliciting comments concerning the revision of the Annual Report of U.S. Ownership of Foreign Securities, including Selected Money Market Instruments. The next such collection is an annual survey to be conducted as of December 31, 2018.

DATES: Written comments should be received on or before [INSERT 60 DAYS AFTER DATE OF PUBLICATION] to be assured of consideration.

ADDRESSES: Direct all written comments to Dwight Wolkow, International Portfolio Investment Data Systems, Department of the Treasury, Room 5422 MT, 1500 Pennsylvania Avenue NW, Washington DC 20220. In view of possible delays in mail delivery, you may also wish to send a copy to Mr. Wolkow by email (comments2TIC@do.treas.gov) or FAX (202-622-2009). Mr. Wolkow can also be reached by telephone (202-622-1276).

FOR FURTHER INFORMATION CONTACT: Copies of the proposed form and instructions are available at Part II of the Treasury International Capital (TIC) Forms webpage “Forms SHL/SHLA & SHC/SHCA”, at: <https://www.treasury.gov/resource-center/data-chart->

center/tic/Pages/forms-sh.aspx#shc. The proposed forms (called schedules) are unchanged from the previous survey that was conducted as of December 31, 2017 (SHCA(2017)). The “Current Actions” below are changes in the previous instructions. Requests for additional information should be directed to Mr. Wolkow.

SUPPLEMENTARY INFORMATION:

Title: Treasury International Capital (TIC) Form SHC/SHCA “U.S. Ownership of Foreign Securities, including Selected Money Market Instruments.”

OMB Control Number: 1505-0146.

Abstract: Form SHC/SHCA is part of the Treasury International Capital (TIC) reporting system, which is required by law (22 U.S.C. 3101 et seq.; E.O. 11961; 31 CFR 129) and is used to conduct annual surveys of U.S. residents’ ownership of foreign securities for portfolio investment purposes. These data are used by the U.S. Government in the formulation of international financial and monetary policies, and for the computation of the U.S. balance of payments accounts and of the U.S. international investment position. These data are also used to provide information to the public and to meet international reporting commitments. The SHC/SHCA survey is part of an internationally coordinated effort under the auspices of the International Monetary Fund to improve data on securities worldwide. Most of the major industrial and financial countries conduct similar surveys.

The data collection includes large benchmark surveys conducted every five years, and smaller annual surveys conducted in the non-benchmark years. The data collected under an annual survey are used in conjunction with the results of the preceding benchmark

survey and of recent SLT reports to make economy-wide estimates for that non-benchmark year. Currently, the determination of who must report in the annual surveys is based primarily on the data submitted during the preceding benchmark survey and on data submitted on SLT reports around June of the survey year. The data requested in the annual survey will generally be the same as requested in the preceding benchmark report. Form SHC is used for the benchmark survey of all significant U.S.-resident custodians and end-investors regarding U.S. ownership of foreign securities. In non-benchmark years Form SHCA is used for the annual surveys of primarily the very largest U.S.-resident custodians and end-investors.

Current Actions:

No changes in the forms (schedules) are made from the previous survey that was conducted as of December 31, 2017. The proposed changes in the instructions are:

- (1) In section II.A.(2) “Who Must Report/End-Investors”, new text is added to clarify reporting responsibilities; in particular that reporting (as end-investor) is the responsibility of the manager of a fund, partnership, trust, etc., if they have discretion over investments of the fund/partnership/trust/etc.;
- (2) In section II.A.(2) “Who Must Report/End-Investors”, the terms “limited partnerships and trusts” are added in the third bullet in the list;
- (3) Section III.B/”direct investments” is revised to make the section more uniform across all TIC reports;
- (4) Section III.C.4/”pension & retirement funds” is revised to cover reporting responsibilities and foreign-resident pension funds;

(5) In Appendix G, the link is corrected to point to the March 2018 version of the TIC Glossary.

(6) Some changes in text, page numbers and formatting are made to clarify other parts of the instructions.

The changes will improve overall survey reporting.

Type of Review: Revision of currently approved data collection.

Affected Public: Business/Financial Institutions.

Form: TIC SHC/SHCA, Schedules 1, 2 and 3 (1505-0146).

Estimated Number of Respondents: An annual average (over five years) of 306, but this varies widely from about 785 in benchmark years (once every five years) to about 190 in other years (four out of every five years).

Estimated Average Time per Respondent: An annual average (over five years) of about 174 hours, but this will vary widely from respondent to respondent. (a) In the year of a benchmark survey, which is conducted once every five years, it is estimated that exempt respondents will require an average of 17 hours; custodians of securities providing security-by-security information will require an average of 361 hours, but this figure will vary widely for individual custodians; end-investors providing security-by-security information will require an average of 121 hours; and end-investors and custodians employing U.S. custodians will require an average of 41 hours. (b) In a non-benchmark year, which occurs four years out of every five years: Custodians of securities providing security-by-security information will require an average of 546 hours (because only the largest U.S.-resident custodians will report), but this figure will vary widely for

individual custodians; end-investors providing security-by-security information will require an average of 146 hours; and reporters entrusting their foreign securities to U.S. custodians will require an average of 49 hours. The exemption level, which applies only in benchmark years when filing schedules 2 or 3 or both, for custodians and for end-investors is the holding of less than \$200 million in reportable foreign securities owned by U.S. residents. For schedule 2, end-investors should exclude securities that are held with their unaffiliated U.S.-resident custodians.

Estimated Total Annual Burden Hours: An annual average (over five years) of 53,260 hours.

Frequency of Response: Annual.

Request for Comments: Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval. All comments will become a matter of public record. The public is invited to submit written comments concerning: (a) whether the Survey is necessary for the proper performance of the functions of the Office of International Affairs within the Department of the Treasury, including whether the information collected will have practical uses; (b) the accuracy of the above estimate of the burdens; (c) ways to enhance the quality, usefulness and clarity of the information to be collected; (d) ways to minimize the reporting and/or record keeping burdens on respondents, including the use of information technologies to automate the collection of the data requested; and (e) estimates of capital or start-up costs of operation, maintenance and purchase of services to provide the information requested.

Dwight Wolkow,

Administrator,

International Portfolio Investment Data Systems.

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